

5 April 1971

MEMORANDUM FOR: Board of Trustees
Educational Aid Fund

SUBJECT : Criteria for EAF Awards

1. The Committee on Criteria for Educational Aid Fund Awards, with Ruth Hemenway sitting in as consultant, met for the second time on 17 March 1971 and presents its recommendations in this paper. Terms of reference for the Committee's discussion were taken from John Bross's memorandum to the Board of Trustees of 16 November 1970.

2. Except for paragraphs 11 and 12, which would affect the awards for the 1973-1974 academic year, it is noted that the recommendations herein are meant to apply to EAF applications, selections, and awards beginning with the 1972-1973 academic year.

3. The Committee concluded that the most important element in the present system of selection is the Selection Committee itself. It was agreed that the way in which the Selection Committee has in the past exercised its judgment in the application of individual criteria and in relating the different criteria to each other has been admirable and that the freedom and flexibility enjoyed and exercised by the Committee in the past should be commended and encouraged.

4. It was also agreed that careful assessment of the recommendations of the Selection Committee by the Trustees and the willingness of the latter to make rulings in exceptional cases has in the past been an important part of the whole process and should be continued.

5. On the matter of the criterion of need: it was agreed that this was of major importance and that the Princeton formula, though probably set to provide too stringent a definition of need for EAF purposes, did provide a relative evaluation of the need of the applicants which gave the Selection Committee a basis for making its judgments. In any event, the basic statistics for each applicant are on the application forms and available to the Selection Committee and the Trustees.

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6. It was considered that the criteria of attitude and motivation, self-help, and academic achievement were adequately defined and given proper weight.

7. It was agreed that the fact of having already been the recipient of one or more EAF Awards should be no hindrance to an individual's application for further awards.

8. It was agreed that the Trustees should be urged to change the by-laws to permit awards to applicants for any institutional, educational activity beyond the high school level, deemed suitable by the Selection Committee and Trustees, i.e., technical and vocational schools, Junior Colleges, and post-graduate study as well as the traditional four-year undergraduate educational institutions. It was felt that opinion as to what constitutes necessary preparation for a socially and personally useful occupation is changing and that the EAF should adjust its criteria in this regard. It was noted at the same time that the Selection Committee and the Trustees would have to be prepared to exercise their judgment on the merits of individual cases.

9. It was felt that eligibility should be limited to dependents of CIA employees (a) presently employed, (b) retired, or (c) who died while employed. Currently dependents of former employees other than (a), (b), and (c) are eligible.

10. It was agreed that no rule should be made with regard to the influence of ethnic or social origin on applications. In the past, members of minority groups have received awards in the routine selection process, without special attention to their minority status and this competitive approach to the selection of winners should be continued.

11. Publicity designed to elicit employees' contributions to the EAF would emphasize the point that funds received would be used as loans. It was decided to recommend, also, that during the 1971 Fund Drive, an information poll be taken. The form sent to employees soliciting contributions would include a request for an indication of the individual employee's preference as to whether his money should be used as a loan or grant. A simple check-box on the contribution envelope would suffice. The results of the poll would be used by the Board of Directors as a guide for future decisions.

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12. On the question whether awards should be in the form of grants or loans: it was decided to recommend that monies contributed by employees be dispensed only in the form of interest-free loans. Recipients of awards would be told that they were receiving loans which they would be expected to pay back when and as they became able to do so. A letter or reminder would be sent out after a fixed period but no dunning letters would be sent; accounts would be closed if the persons involved refused to answer communications or failed to keep up payments. ([REDACTED] said that his department was prepared to handle the administration of a loan system on this basis.)

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13. The decision with respect to the use of employee contributions in the form of loans was made in the understanding that money contributed by Mr. McCone, Mrs. Wisner, and at least some income from other capital funds would be dispensed in the form of grants. It was thought to be advantageous to have loans as well as grants available for EAF awards; loans being most suitable for many situations but grants preferable in others. It was recognized that this would place another task on the Selection Committee but that the members would probably be able, fairly easily, to determine which cases warranted grants and which, loans.

14. The Committee chose to recommend with enthusiasm that a grant to an applicant, in whose case the factor of self-help was of particular importance, be designated each year the "Matthew Baird Award."

15. It was agreed that the Wisner Fund be administered as in the past with scholarship the predominant criterion.

16. On the matter of timing of awards, the Committee wishes to recommend consideration of a schedule that would bring in applications after educational institutions have made their selections of students and their scholarship awards. In this case EAF awards would be made in time for second semester bills. The argument for this recommendation is that in this way the Selection Committee could make its decisions with knowledge of college and other acceptances and of scholarship awards affecting the financial situation of applicants. It was also felt that the EAF awards, though important, seldom determine whether an individual actually attends college or not. [REDACTED] asked that his non-concurrence on this point be noted

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in this report because he feels that the present practice of granting assistance for the first semester has worked well in the past and has been helpful to students in budgeting for the entire school year.

Committee on Criteria for Educational
Aid Fund Awards

[REDACTED]
Hugh T. Cunningham
[REDACTED]

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Distribution:

Mr. Lawrence Houston (10 copies)

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EDUCATIONAL AID FUND
Meeting of the Board of Trustees
14 April 1971

PRESENT: Lawrence R. Houston, Chairman
John W. Coffey
Colonel L. K. White
Dr. R. J. Smith
Carl E. Duckett
Cord Meyer, Jr.
[REDACTED]
Hugh Cunningham
[REDACTED] Executive Secretary

Guest:

John A. Bross

1. After calling the meeting to order the Chairman noted that Mr. Coffey, as the Deputy Director for Support, should be appointed by the Trustees to replace Mr. Bannerman, who retired. Mr. Coffey's appointment was unanimously approved by the Trustees.

2. The Chairman then initiated a brief discussion of the results of the dinner hosted by Mr. McCone. To date, Mr. McCone's fund raising efforts have resulted in receipt of \$34,650, see listing attached. He noted also that IT&T will contribute another \$5,000 in 1972. Further, the Chairman has received indications from [REDACTED] with no amount specified.

3. The next item on the agenda was a discussion of the report of the committee previously appointed by the Board for the purpose of reviewing criteria to be followed in making EAF awards. The Chairman invited [REDACTED] to discuss the report. [REDACTED] discussion served to amplify the written report, as follows:

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Paragraph 5 - While the Princeton formula is not exact and might be set too high for our needs, it does give a scale for the Selection Committee to follow.

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Paragraph 6 - [REDACTED] added that the judgment of the Selection Committee is critical and noted that the Committee has done a good job in the past. Present criteria and guidance appear to be adequate. In addition, the Trustees themselves serve as a check and this practice, i. e., review by the Trustees themselves of Selection Committee recommendations, should be continued. At this point Mr. Duckett wondered how other scholarship funds were administered. The Board felt that it might be useful to obtain information from the State Department and other agencies concerning criteria used and procedures followed in making awards. The Executive Secretary will make a report on this review at a future meeting.

Paragraph 8 - The Board unanimously endorsed the suggestion to permit awards for any educational activity beyond the high school level. The Chairman noted that there was no need to change the Articles of Association or Bylaws and that all the Board needed to do was to define higher education as that which occurs above the high school level.

The recommendations made in paragraphs 9 and 10 were unanimously approved.

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Paragraph 11 - [REDACTED] raised the question of whether an employee's response to the poll would be considered binding. Mr. Coffey also indicated some concern about this. Mr. Cunningham responded that the poll was intended merely to obtain a consensus from employees on whether EAF awards should be made on the basis of loans or grants and that indications from employees would not be binding with respect to money contributed. Colonel White indicated that he saw some risk in doing this at the same time, i. e., having a man answer the question at the same time he is contributing money. He suggested that the poll be conducted separately. After further discussion it was decided to defer this until the next meeting because [REDACTED] will be making a presentation on the kind of publicity that might be conducted for this coming year's fund drive.

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Paragraph 12 - There was considerable discussion on the matter of changing grants to loans. It was first noted that there could be no change with respect to money contributed by Mrs. Wisner and by Mr. McCone; these funds will continue to be used to support grants. The Board unanimously approved the recommendation that awards previously made as grants from money contributed by Agency employees be treated as loans beginning with monies received in the 1971 fund drive and which will be distributed in 1972.

Paragraph 14 - After some discussion as to the basis for establishing a Matthew Baird Award, this recommendation was approved. The Selection Committee would be asked to designate an individual in whose case self-help was particularly noteworthy as the Matthew Baird Award winner. The Trustees' action was based on the fact that Mr. Baird was the Agency's first Director of Training who contributed to and developed a training institution unique in Federal government. His dedication to the principles of training, education, and development of individual human beings in itself deserves some form of lasting Agency recognition. Added to this is Mr. Baird's particular dedication to the purposes and objectives of the Agency's Educational Aid Fund. The Trustees noted that when the Selection Committee concept was first approved in 1968, Mr. Baird unhesitatingly responded to the Chairman's request that he head the Selection Committee; and he served in this capacity for three years, even though he had retired from the Agency. His specific achievement during this service is also noteworthy in that he established guidelines and procedures for the effective and equitable selection of EAF award winners.

Paragraph 16 - There was a lengthy discussion of the suggestion made in this paragraph, and expressions of concern made by most of the Trustees. Messrs. Cunningham and [REDACTED] acknowledged that with the change noted above with respect to the type of institutions which qualify for EAF assistance, there could be an increase in the number of applicants who need EAF assistance to go to school. It was also felt by some Trustees that knowing whether EAF assistance

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is available at the beginning of the school year would be of great value to award winners. In the end, the Chairman noted a consensus that there be no change at the present time.

25X1A 4. The Chairman asked that the minutes reflect the Board's appreciation
25X1A for the Committee's work. Mr. Cunningham also felt it important to mention
the contributions made by [REDACTED] He went on to say that
[REDACTED] is knowledgeable of scholarships and college requirements and
that her services should be made available in a greater way to Agency employees.
25X1A It was agreed that Mr. Cunningham would consider some means by which to
publicize [REDACTED] services.

25X1A 5. The next item on the agenda was the appointment of individuals to
serve on the Selection Committee. Mr. Janney will serve as Chairman;
[REDACTED] will represent the DDI [REDACTED] will represent the DDS; and
Mr. Meyer will select an individual to represent the DDP. 25X1A

6. The Trustees then discussed the dollar amounts of awards to be made this year. After some discussion Colonel White suggested that the Board instruct the Selection Committee on how much money was available for grants this year and that the Selection Committee recommend the amount to be awarded in individual cases from a minimum of \$500 to a maximum of \$1,000 in individual cases. The amount available for grants this year includes the sum contributed by Agency employees, \$21,657.88, the interest earned on all EAF funds as of 31 March 1971, \$562.20, and the \$5,000 Mr. McCone contributed. Thus, the Selection Committee will have available for awards the sum of \$27,220.08.

7. The Chairman then indicated that it might be time for the Board to supply some management of the EAF capital fund, which amounts to \$84,038.22. It was agreed that Mr. Houston would obtain advice from existing financial advisors who supply recommendations to a senior Board of Directors of an Agency proprietary.

[REDACTED]
Executive Secretary

25X1A APPROVED:

[REDACTED]
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Lawrence R. Houston Date
Chairman, Board of Trustees CONFIDENTIAL

25 April '71

EDUCATIONAL AID FUND
Meeting of the Board of Trustees
27 May 1971

PRESENT: Lawrence R. Houston, Chairman
Colonel L. K. White
John W. Coffey
Edward W. Proctor
Carl E. Duckett
Cord Meyer, Jr.
[REDACTED]
Hugh Cunningham
[REDACTED] Executive Secretary

Absent: T. H. Karamessines

Guest: F. W. M. Janney

1. After calling the meeting to order, the Chairman noted that Mr. Proctor, as the Deputy Director for Intelligence, should be formally appointed by the Trustees to replace Mr. Smith. Mr. Proctor's appointment was unanimously approved.

2. The Chairman then raised for discussion the report of the EAF Selection Committee dated 5 May 1971, which had been sent to each Trustee in advance of the meeting. The Chairman noted that while he had reviewed the actual applications, he was personally prepared to accept the recommendations of the Selection Committee. There then followed general comments by various Trustees on specific Committee recommendations. Mr. Duckett then asked the Board to note that the applicant recommended for this year's Wisner Scholar award was the son of [REDACTED] who served on the Selection Committee. The Executive Secretary reported that no one on the Selection Committee was aware of the names of the various contenders for the Wisner Scholar award and that [REDACTED] was not present at the time this selection was made. Mr. Janney, in his capacity as Chairman of the Selection Committee, reaffirmed this. Mr. Duckett indicated his agreement with the selection, but noted this merely so that the Trustees could be

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aware of the situation in order to be prepared to answer questions, should they arise. The Chairman felt that any charge of partiality would be overcome by having the Trustees review this specific case in detail and state whether or not they agreed with the selection on the merits. All the Trustees present so indicated, and the Chairman requested that the record reflect this position on the part of the Board.

3. Mr. Cunningham commented that during a visit with Mr. Baird, he had the opportunity to show Mr. Baird the file on applicant No. 111, who was recommended as the first Matthew Baird Scholar. Mr. Cunningham reported that Mr. Baird was quite pleased at the selection.

4. After discussion of the Selection Committee's recommendations, Mr. Meyer moved that the recommendations, as reported in the Selection Committee Chairman's report of 5 May 1971, be approved; Mr. Coffey seconded the motion, which was unanimously carried.

5. By decision of the Board, recipients of the 1971 EAF grants are:

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\$500
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ADMINISTRATIVE -- INTERNAL USE ONLY

Special Award Winners

Frank G. Wisner Award

John A. McCone Award

Matthew Baird Award

✓ \$500

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(no additional amount)

(no additional amount)

6. The Chairman and other members of the Board expressed appreciation to the members of the Selection Committee for their work in reviewing the many applications for assistance and identifying those that should be selected for financial assistance and recognition.

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7. As new business, [REDACTED] asked Mr. Janney whether it was feasible for the Selection Committee to assume the responsibility for determining during next year's review, which of the award winners should receive outright grants and which should receive assistance as a loan. Mr. Janney expressed some concern about the absence of criteria upon which to base the judgment of applicants who could repay a loan and those who could not. Mr. Proctor suggested, and other members of the Board agreed, that at the time the applicant submits his request he could complete a questionnaire which would cover this: for example, the applicant would be asked to indicate if not selected to receive a grant, whether he would be willing to receive financial assistance from the EAF as a loan and repay the amount received. ✓

8. Mr. Cunningham then expressed some concern about work load, noting that 111 applications were received this year and that more could be expected next year. He wondered whether it might not be wise to establish two Selection Committees, whose work would then be reviewed by an overall committee. Other members of the Board felt that this could prove to be cumbersome and might not really solve the problem. A different approach to work load would be to concentrate on preliminary screening in advance of the meeting of the Selection Committee. In the end, the impact of increased work load would be felt by the Executive Secretary and his clerical support and it was agreed that he should be supplied additional assistance at such time as the number of EAF applications increases to the point where his existing staff could not handle it.

9. Mr. Houston then indicated that he planned to develop a letter summarizing the results of this year's EAF selections which he would send to those persons who have contributed to EAF as a result of Mr. McCone's fund raising efforts.

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10. Mr. Duckett raised for consideration whether EAF should establish some guidelines for amounts to be contributed by employees during the annual solicitation of funds along the lines of the "fair share" guidelines established by CFC and church organizations. No action was taken on this idea.

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11. [REDACTED] reported that at the next Board meeting, to be called in June, he would like to invite [REDACTED] to make a presentation on fund raising efforts for the next drive. It was agreed that this presentation will be on the next agenda.

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12. The Chairman then brought up the question of contributions made by [REDACTED] in the form of 25 shares of Texaco stock. He noted that he will get advice on whether this stock should be sold or held. At this point, Mr. Proctor raised the question of whether EAF should own stock at all. He also expressed concern about the propriety of receiving funds from certain sources. Although not specific, his concern appeared to be one of conflict of interest. Other Board members appeared not to share Mr. Proctor's concern. It was decided that this matter would be placed on the agenda of the next Board meeting for a full discussion.

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13. Colonel White brought up raffles, as a means of raising money for EAF. The Director had approved this idea - starting off conservatively. [REDACTED] will include this as a fund raising technique at the time of presentation at the next Board meeting.

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[REDACTED]
Executive Secretary

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APPROVED:

[REDACTED]
Lawrence R. Houston
Chairman
Board of Trustees

4 June '71
Date

EDUCATIONAL AID FUND
Meeting of the Board of Trustees
3 May 1972

PRESENT WERE:

Lawrence R. Houston, Chairman
John W. Coffey
William E. Colby
[REDACTED]
Hugh Cunningham
Carl E. Duckett
Cord Meyer, Jr.
Edward W. Proctor
[REDACTED] Executive Secretary

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1. After calling the meeting to order, the Chairman noted that the first order of business on the agenda was the appointment of Mr. Colby as Trustee to replace Colonel White. Mr. Duckett then asked whether Col. White should not be offered the opportunity to continue as Trustee. It was agreed that Mr. Colby would be appointed Trustee. In addition, the Chairman will talk with Col. White to see if he wished to remain on the Board. At this point the Chairman noted that funds had been received to support a scholarship in Col. White's name. It was agreed that this would not be an impediment to Col. White's serving on the Board, if he agrees to do so.

2. The next item of business was a review of the financial statement to determine the amount to be used for scholarships. The Chairman first reported on the results of Mr. McCone's fund raising efforts and noted that the sum of \$61,395.17 had been received to date. He also mentioned that Mr. McCone, who had agreed to contribute \$5,000 for ten years, has not yet sent his contribution for the current year. The Chairman has been in touch with Mr. McCone's assistant on this. Mr. Colby asked whether it was the intent of the Board to build up an endowment fund or to use all funds on hand. The Chairman reviewed for Mr. Colby the manner in which the Board has attempted to build up an endowment fund of sizable proportions so that investment income could be large enough to support scholarships.

3. Mr. Proctor then asked whether the investment portfolio is under current review. The Chairman answered that he has been using investment counsel available within the Agency for this purpose. Mr. Proctor expressed the opinion that EAF should not own stocks and that when stocks are received as gifts, they should be liquidated. The question of possible conflict of interest arose during this discussion. Other Board members did not share Mr. Proctor's concern and identified the problem as one of portfolio management. The Chairman agreed to prepare an analysis of the problem of managing EAF's portfolio and the question of possible conflict of interest for discussion at a subsequent Board meeting.

4. At the conclusion of this discussion of the financial statement, the Executive Secretary recommended that up to \$28,000, representing the results of the Agency Fund Drive, income on investments, the anticipated \$5,000 contribution from Mr. McCone, and the \$300 on the L. K. White scholarship fund, be the amount to be awarded as scholarships this year. Mr. Duckett felt that the Selection Committee should not be restricted to this amount if the Committee felt there were additional deserving candidates. The Committee agreed. As last year, the Selection Committee will have the authority to recommend awards ranging from \$200 to \$700. The Executive Secretary will instruct the Selection Committee accordingly.

5. The next item of business was the appointment of the Selection Committee representatives. It was agreed that the members who served last year - Fred Janney, [REDACTED] STATINTL serve again this year. Mr. Janney will serve as Chairman.

6. Mr. Colby then asked if a report was made to Agency employees on the winners of scholarships. It was explained that specific information is given on the special awards, and summary information on all winners. It was agreed that more statistical information on award winners be disseminated this year. During the course of this discussion, Mr. Proctor expressed the opinion that the availability of EAF funds is still not widely known throughout the Agency and that additional efforts be made to publicize EAF. He suggested posting a sign in the Credit Union so that Agency employees planning to borrow money to meet educational expenses might learn that EAF funds are also available. The Committee approved.

7. The next item of discussion concerned an application received from the son of a deceased Agency employee. Reading from the application, the Executive Secretary noted that the applicant is now married and not receiving

any financial help from his widowed-mother. The Executive Secretary explained, however, that the mother cannot provide assistance to her son-applicant because of the size of the family and limited financial resources. Mr. Duckett and other Board members felt that the circumstances of this case fall within the spirit of the EAF charter and that the applicant should be considered a dependent for EAF purposes and that his application be accepted so that it could be considered in competition with the others.

8. The next item of business was the number of applications requesting grants only. The Executive Secretary noted that of the applications received, 46 were for grants only and that 31 of these were submitted by children of employees in the higher income category. After a full discussion of the problem it was agreed that the Selection Committee would determine whether awards should be made as a grant or a loan. In the event the Selection Committee determines that a scholarship is to be made on the basis of a loan to an individual who requested assistance in the form of a grant, the Executive Secretary will contact the parent. If a parent is unwilling to receive funds as a loan, the decision in that case will be struck and the next person in line would receive the funds. There was general agreement that next year individuals applying for EAF assistance would not be given a choice. The Executive Secretary was also instructed to inform the Selection Committee that in no way should an application be prejudiced because assistance was requested on the basis of a grant only.

9. Mr. Duckett raised the question of whether awards should be made to prior award winners. There was general agreement that this should not be a bar to an applicant's receiving assistance.

10. [REDACTED] asked the Chairman if he would agree to send a letter to [REDACTED] in appreciation for his assistance in preparing EAF material for the past Fund Drive. The Chairman thought that this would be a good idea and asked [REDACTED] to prepare an appropriate letter.

[REDACTED]
Executive Secretary

APPROVED:

[REDACTED]
Lawrence R. Houston
Chairman, Board of Trustees

11 May '72
Date

EDUCATIONAL AID FUND
Meeting of the Board of Trustees
6 June 1972

Present were:

Lawrence R. Houston, Chairman
John W. Coffey
William E. Colby
Hugh Cunningham
Cord Meyer, Jr.
Edward W. Proctor

[REDACTED]
Colonel L. R. White

[REDACTED] Executive Secretary

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The Chairman called the meeting to order and noted that the only item of business was a review of the Selection Committee's recommendations for this year's awards. Before proceeding, the Chairman advised the Board that Mr. Janney, who served as Chairman, Selection Committee, was ill and could not be present. It was agreed that the Chairman would send Mr. Janney a note expressing the Board's appreciation for the work of the Selection Committee this year.

On business, the Chairman initiated a discussion of the Selection Committee's recommendation in paragraph 3 that grants be made to all award winners in Categories 1, 2, and 3. He wondered if supplying this many grants was in keeping with the spirit of earlier Board decisions establishing loans. There was considerable discussion on this, in which all Trustees participated. Eventually, a consensus was reached that grants would be made starting with Category 1 until the McCone money was consumed. In addition, grants would be made to the special award winners. The Board felt it important that the concept of loans be carefully and fully discussed so that award winners would be sure to understand that this is not a loan in the legal sense; rather, it is a loan being made in the hope that eventually the recipient might be able to repay the Fund, thus adding to the Fund's capability to respond to the needs of deserving applicants in future years.

The Chairman then initiated a discussion of the Selection Committee recommendations for the special awards. Mr. Cunningham noted that No. 111 seemed equally qualified as No. 130. With this comment noted, the Board unanimously accepted the Selection Committee recommendations for the special awards.

By decision of the Board, recipients of the 1972 EAF grants are:

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✓ \$600
✓ \$600
✓ \$600
✓ \$600
✓ \$600
✓ \$600

Special Award Winners

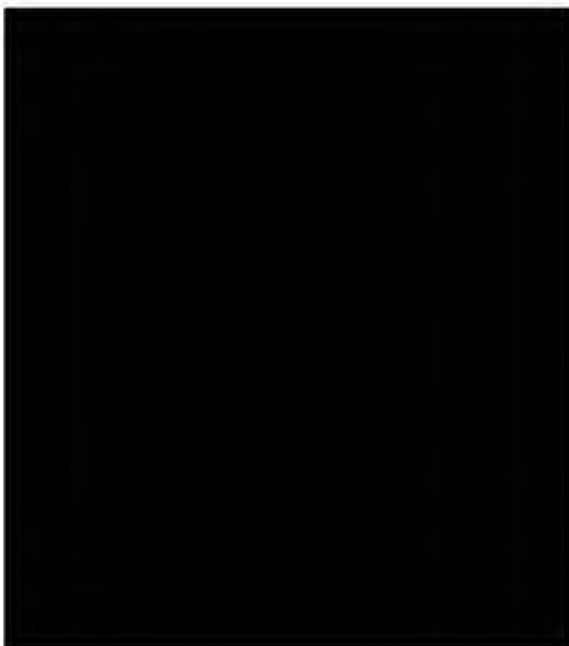
Matthew Baird Award -
John A. McCone Award -
Lawrence K. White Award -
Frank G. Wisner Award -

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By decision of the Board, recipients of the 1972 EAF loans are:



✓ \$500
✓ \$500
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AGENDA

Educational Aid Fund

Board of Trustees

19 May 1975

Room 7D 32, Headquarters

1. Review of Applicant Information.
2. Report of Financial Position.
 - a. Review of Capital Fund for 1975 Earnings.
 - b. Review of Policy Paper Concerning Size of Capital Fund.
 - c. Determination of Amount to be Allocated to Scholarships This Year.
3. Appointment of Selection Committee.
Composition of Last Year's Selection Committee:



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34	Frank G. Wisner Scholarship Applicants
93	EAF Scholarship Loan Applicants
<u>127</u>	Total Applicants

ETHNIC BACKGROUND

WHITE	105
BLACK	10
ORIENTAL	12
	<u>127</u>

SEX

MALE	58
FEMALE	69
	<u>127</u>

NUMBER OF PREVIOUS APPLICATIONS

1st	96
2nd	18
3rd	8
4th	5
	<u>127</u>

The age range is 12 years ranging from age 16 to 28 years old and the average age is 18 years 10 months.

A profile of this year's sponsor follows:

DIRECTORATE ASSIGNMENT

DCI	1
DDA	27
DDO	52
DDI	18
DDSGT	21
RETIRED	5
DECEASED	3
	<u>127</u>

EMPLOYMENT STATUS

STAFF	100
CONTRACT	19
RETIRED	5
DECEASED	3
	<u>127</u>

The average grade is GS-11.6 and one sponsor is classified other than GS (GPE). Nineteen sponsors have more than one dependent applying this year; one has four applications, two have three applications, and sixteen have submitted two applications.

A review of the financial statements of this year's EAF Loan Applications discloses that the average gross income for 1975 will be \$24,056 and the average number of dependents in each sponsor's family is 3.7. The range of 1975 projected income is \$45,100 running from \$8,800 to \$53,900.

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DISTRIBUTION OF GRANTS AND LOANS BY GRADE

GRADE	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	TOTAL
GS-16	-	-	-	-	-	-	1	1	-	-	2
GS-15	-	-	-	-	2	-	1	1	1	-	5
GS-14	4	4	-	3	4	3	9	12	6	3	48
GS-13	4	8	7	5	4	12	7	5	5	4	61
GS-12	2	3	4	3	7	7	10	9	9	9	63
GS-9-11	11	7	9	7	12	7	12	12	9	8	94
GS-5-8	4	6	6	6	5	4	11	8	6	12	68
GS-4	-	-	-	-	-	-	-	-	-	1	1
RET.	-	-	-	1	2	-	-	2	4	1	10
DEC.	-	-	-	-	-	1	3	1	3	1	9
TOTAL	25	28	26	25	36	34	54	51	43	39	361

DISTRIBUTION OF GRANTS AND LOANS BY DIRECTORATE

DIR.	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	TOTAL
DCI	-	-	1	1	1	-	-	-	-	-	3
DDA	6	6	6	7	6	14	20	19	12	13	109
DDO	9	9	11	9	17	10	17	15	11	13	121
DDI	9	9	6	6	8	8	13	13	6	3	81
DDS&T	1	4	2	2	2	1	1	1	7	8	29
RET.	-	-	-	-	2	-	-	2	4	1	9
DEC.	-	-	-	-	-	1	3	1	3	1	9
TOTAL	25	28	26	25	36	34	54	51	43	39	361

EDUCATIONAL AID FUND

Financial Statement - 30 April 1975

ASSETS

Cash on Hand and in Banks:

Cash on Hand	\$ -0-	
Checking Account, American Security & Trust Co.	464.00	
Interstate Building Association C/D	20,117.00	
orthern Virginia Savings & Loan Association C/D	20,000.00	
First Federal Savings & Loan Association C/D	20,000.00	
lington-Fairfax Savings & Loan Association C/D	20,000.00	
Jefferson Federal Savings & Loan Association C/D	20,000.00	
Northwest Federal Credit Union	45,617.06	\$146,198.06

Stock Investments:

Allegheny Power Co. (4 shares)	\$ 113.13	
International Nickel Co. (100 shares)	3,737.50	
International Utilities Corp. (50 shares)	1,075.00	
Northwest Airlines Inc. (400 shares)	10,400.00	
Texaco Inc. (25 shares)	900.00	
A.S.I. Communications (100 shares)	325.00	
Bradford Computer Systems (10 shares)	377.50	\$ 16,928.13
Total Assets		<u>\$163,126.19</u>

LIABILITIES AND NET WORTH

Balance in Fund as of 31 December 1974 \$142,029.66

1975 Income received thru 30 April 1975:

Contributions: Special Fund (non-CFC)	-0-	
General Fund (CFC only): Drive	10,000.00	
Payroll	5,775.15	
Direct Billing	108.00	
Interest Received to Date	4,515.71	
Dividends Received to Date	147.67	
Other Income a/	550.00	
Total Income 30 April 1975		\$ 21,096.53
Total Liabilities and Net Worth		<u>\$163,126.19</u>

Less not included - 1972, 1973, and 1974: \$62,900.00

a/ Loan repayment

30 April 1975

EDUCATIONAL AID FUND

Projected Income Statement for Calendar Year 1975

Cash received from Fund Drive	\$10,000.00	
Cash recd during Drive not yet transferred to EAF	155.33	
EAF Payroll Deductions received thru 30 April 75	5,775.15	
EAF Payroll Deductions recd but not yet transferred to EAF	1,484.90	
Outstanding EAF Payroll Deductions pledged for CY 1975	14,280.90	
EAF Direct Billing recd thru 30 April 1975 a/	108.00	
EAF Direct Billing recd but not yet transferred to EAF	38.00	
Outstanding EAF direct billing for CY 1975	<u>539.00</u>	\$32,381.28
Dividends received thru 30 April 1975	147.67	
Interest received thru 30 April 1975	<u>4,515.71</u>	\$ 4,663.38
Estimated dividends for balance of CY 1975	303.00	
Estimated interest for balance of CY 1975	<u>5,200.00</u>	\$ 5,503.00
Other Income received thru 30 April 1975		<u>\$ 550.00</u>
Estimated Income for CY 1975		\$43,097.66
Less Estimated Expenses for CY 1975		<u>(280.00)</u>
Total Estimated Income less expenses CY 1975		<u><u>\$42,817.66</u></u>

a/ Balance from 1973/74 drive

9A.

May 1975

EDUCATIONAL AID FUND

Estimated Income for Calendar Year 1975

Cash from Fund Drive	\$10,155.33	
EAF Payroll Deductions recd thru 30 April 75	5,775.15	
Outstanding Payroll Deductions for 1975	15,765.80	
1973/74 EAF Direct Billing recd in 1975	108.00	
Outstanding Direct Billing for 1975	<u>577.00</u>	\$32,381.28
Dividends & interest recd thru 30 April 75	\$ 4,663.38	
Estimated Dividends & Interest thru 31 Dec 75	<u>5,503.00</u>	\$10,166.38
Other Income received thru 30 April 75		<u>550.00</u>
Estimated Income for Calendar Year 1975		\$43,097.66
Less anticipated Expenses for Calendar Year 1975		<u>280.00</u>
Total estimated income less expenses CY 1975		<u>\$42,817.66</u>

5 May 1975

EDUCATIONAL AID FUND

Income Statement

For Year Ending 31 December 1974

Interest Received	\$ 9,153.38	
Dividends Received	422.52	
Special Contributions	6,940.60	
Fund Drive Contributions	11,862.20	
Payroll Deductions	15,672.40	
Direct Billing	<u>588.00</u>	\$44,639.10
Preparation of Taxes	\$ 36.00	
Grants	14,200.00	
Loans	20,300.00	
Interest Paid	<u>273.64</u>	\$34,809.64
Net Income		<u>\$ 9,829.46</u>

30 January 1975

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 DISTRIBUTION OF GRANTS AND LOANS BY DOLLAR AMOUNTS

DOLLAR AMOUNTS	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	NO. DISTR
\$1,500	-	-	-	-	-	-	-	-	-	5**	5
1,000	-	-	-	-	-	-	-	-	4**	9	13
800	-	-	-	-	-	-	-	-	-	8	8
750	-	-	-	-	1*	2*	-	-	-	-	3
700	-	-	-	-	-	-	3	4**	6 ^c	14	37
600	-	-	-	-	-	-	-	11 ^a	12 ^b	3	26
550	-	-	-	-	-	-	-	7 ^b	-	-	7
500	22	23	25	25	35	32	48***	29 ^b	11 ^b	-	250
400	2	2	-	-	-	-	-	-	-	-	4
350	1	-	-	-	-	-	-	-	-	-	1
300	-	3	-	-	-	-	2	-	-	-	5
250	-	-	1	-	-	-	-	-	-	-	1
200	-	-	-	-	-	-	1	-	-	-	1
TOTAL	25	28	26	25	36	34	54	51	43	39	361

a - 5 Grants and 6 Loans
 b - Loans
 c - 3 Grants and 13 Loans

*Frank G. Wisner - \$250 plus \$500 Grant
 **Frank G. Wisner, Matthew Baird, John A. McCone,
 and L. K. White Awards
 ***Frank G. Wisner Award of \$500 included

EAF REPORT

<u>YEAR</u>	<u>FUND DRIVE CONTRIBUTION</u>	<u>SCHOOL YEAR</u>	<u>NUMBER APPLICATIONS</u>	<u>NO. SPECIAL AWARDS</u>	<u>NO. GRANTS</u>	<u>NO. LOANS</u>	<u>AMOUNT DISPURSED</u>
1963-64		1964-65	7				
1964-65	\$10,973.38	1965-66	81		25		\$12,150.0
1965-66	11,654.05	1966-67	86		28		13,200.0
1966-67	12,794.05	1967-68	82		26		12,750.0
1967-68	11,395.16	1968-69	84	1	24		12,500.0
1968-69	15,653.04	1969-70	80	1	35		18,250.0
1969-70	17,013.91	1970-71	85	2	32		17,500.0
1970-71	21,702.88	1971-72	110	3	51		26,900.0
1971-72	18,491.42	1972-73	136	4	6	41	27,750.0
1972-73	17,494.31	1973-74	120	4	3	36	27,900.0
1973-74	28,122.60	1974-75	98	5	8	26	34,500.0
1974-75	31,036.30*						

*Pledged

Cash	\$10,155.33
Payroll Deduction	20,304.45
Direct Billing	577.00

Educational Aid Fund

The Educational Aid Fund was established by the Agency primarily to provide scholarship assistance to dependents of present and former employees. The principal source of the Fund's capital has been contributions received from employees during the annual fund-raising campaign conducted throughout Government. Additional capital has been obtained from sizeable contributions made by the family of Mr. Frank Wisner and by Mr. John A. McCone, as well as from a fund-raising drive headed by Mr. McCone in 1972. Investment of the capital fund has developed additional income.

To date, the Fund has provided financial assistance to 322 dependents in awards ranging from \$250 to \$1000. The amount disbursed totals \$168,900. In 1972 the Board of Trustees established a policy of providing loans to approved applicants. While grants would still be made to particularly deserving applicants as well as to the winners of the four special awards, the larger share of scholarship assistance would be in the form of loans. At the same time, the Board agreed that repayment of such loans would not be required in a strict legal sense, but rather as a moral obligation on the part of the recipient who would be encouraged to repay when circumstances permitted.

At its meeting on 14 June 1974, the Board of Trustees noted that the Fund's capital fund, exclusive of outstanding loans, was in excess of \$160,000. Questions were raised as to whether the capital fund should

be allowed to increase without limitation or whether a ceiling should be established on the size of the fund. It was ultimately agreed that some reasonable ceiling should be established at a level which will permit the EAF to respond to the educational needs of dependents of employees, as well as to take into account the ever-increasing costs of higher education.

Each year the Board of Trustees meets to discuss the guidance to be given the Selection Committee for its review of applications for EAF assistance. Such guidance includes the amount to be disbursed, the dollar range of regular awards, and the emolument to be disbursed to the special award winners. The record shows that because of the increasing size of the capital fund, investment income has improved each year. This income, together with increased employee contributions and regular special contributions from Mr. McCone, has allowed the Board to increase the dollar level of awards.

In view of current and projected costs of higher education, EAF financial assistance -- even at the higher levels -- is still regarded as inadequate, and the Trustees believe EAF has only partially achieved its long-standing objective of providing meaningful financial assistance to deserving applicants. It should be noted, however, that the Board has not yet precisely defined what it considers to be meaningful financial assistance; whether this means the full cost, half, or a lesser percentage will influence in large measure the size of EAF's capital fund. Increasing investment income derived from an increasing capital fund will allow the Board each year to authorize higher levels of financial assistance. One other means of increasing the level of awards is to reduce the number of awards so that available

income can be distributed in higher amounts to fewer winners. We would recommend against this approach since a number of qualified and deserving applicants would be denied some financial assistance merely so that others could get more.

Since the Board meets annually to decide how much money is to be allocated for scholarships, the Board can use this opportunity to control the size of the capital fund based on current circumstances. The Board could authorize higher levels of awards based on its judgment at the time that the capital fund level warrants such action. On the other hand, should income be reduced; e.g., employee contributions have fallen off dramatically, the Board could decide to reduce the amount to be disbursed in order to preserve EAF's ability to function in succeeding years.

The Board could establish a working limit on the capital fund which could be adjusted each year to recognize the need for additional investment income because of anticipated increases in the costs of higher education and the desire of the Board to increase the level of awards. Such costs have already increased significantly from prior years and the Board can assume that they will continue to increase. Thus, a capital fund of at least \$500,000 is not an unrealistic goal or ceiling. Investment income would amount to approximately \$38,000. Mr. McCone's commitment of \$5,000 runs for seven more years. This, with approximately \$25,000 from employee contributions, would make \$68,000 available for awards. Depending on the number of award winners, the level of awards could be increased somewhat but would still fall short of full scholarship assistance.

STATINTL

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First follow-up on outstanding EAF loans

Thirty-nine letters were mailed 19 July 1976.

Two were returned by the Post Office and have been re-mailed to other addresses.

X Fifteen have not as yet replied at all, and have not been returned by the Post Office.

Twenty-two further letters have been sent in reply to letters received either from students or parents, or both.

Three did not require a reply and have been flagged for later follow-up if desired.

Nine are continuing studies (graduate school, etc) and propose repayment after education is finished.

One cannot promise any repayment at all .

Five proposed definite repayment schedules, but did not include checks.

One paid in full.

Three proposed repayment schedule and enclosed first check (one of these replies covered two of the students contacted). One of the three has already sent a second check.

In addition, we received one full payment and one partial payment from people not covered by this exercise, and one letter submitting schedule. These letters have also been acknowledged.

Received so far as result of this exercise:	\$775.00
Other loan repayments in 1976	\$1,550.00
Total repayments in 1976	\$2,325.00

10 September 1976